A G E N D A

CITY OF SEASIDE
CITY COUNCIL/SUCCESSOR
AGENCY TO REDEVELOPMENT
AGENCY OF THE CITY OF SEASIDE

JOINT SPECIAL MEETING
Council Chamber
440 Harcourt Avenue
Thursday, January 18, 2018
5:00 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. CALL TO ORDER

Ralph Rubio	Mayor/Chair
Dennis Alexander	Mayor Pro Tem/Vice Chair
Jason Campbell	Council/Agency Member
David R. Pacheco	Council/Agency Member
Kayla Jones	Council/Agency Member

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

4. CONSENT AGENDA

A. APPROVE MINUTES OF DECEMBER 21, 2017

RECOMMENDATION: It is recommended that the minutes be reviewed and approved.

B. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

PURPOSE: It is requested that the Agency Board approve and file the accounts payable and wired payments made during the period of December 9, 2017 through January 5, 2018. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the periods of December 21, 2017 and January 4, 2018 is requested. Total Accounts Payable and Payroll for the above referenced period is $107,670.94.

RECOMMENDATION: It is recommended that the checks are approved and filed.

5. BUSINESS ITEMS

A. REVIEW OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 18-19 FOR THE PERIOD JULY 1, 2018 – JUNE 30, 2019 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

PURPOSE: The purpose of this item is to provide the Successor Agency Board the opportunity to review the Recognized Obligation Payment Schedule (ROPS) 18-19 for the period July 1, 2018 – June 30, 2019 pursuant to Health and Safety Code Section 34177.

RECOMMENDATION: It is recommended that the Successor Agency Board review the Recognized Obligation Payment Schedule (ROPS) 18-19 for the period July 1, 2018 – June 30, 2019 pursuant to Health and Safety Code Section 34177.

6. STUDY SESSION

A. WATER STUDY SESSION

PURPOSE: The purpose of this item is to provide an overview of the current status of our three water suppliers and their ability to continue to provide water for the City of Seaside.

RECOMMENDATION: Receive an update on the status of our three water suppliers.

7. ADJOURNMENT

Next Regularly Scheduled Meeting:
February 1, 2018
Seaside City Hall
5:30 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, they are asked to contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings.

City Council Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at:
http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300
Videos of past meetings are available on demand through the City's website: http://www.ci.seaside.ca.us

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

DRAFT MINUTES

CITY OF SEASIDE	JOINT SPECIAL MEETING
CITY COUNCIL/ SUCCESSOR	COUNCIL CHAMBER
AGENCY TO THE	Thursday, December 21, 2017
REDEVELOPMENT AGENCY	5:30 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:30 PM.

CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

PRESENT: Alexander, Campbell, Jones, Pacheco, Rubio
ABSENT: None

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENT**

Mayor Rubio invited comments from the public.

- Mr. Sawhney requested that his statements made at the December 7, 2017 meeting be corrected, because all of the points in his public comment was not fully captured. He submitted a copy of the comments he made at the previous meeting. He also requested his name be updated. He further spoke about Items on this agenda and expressed concern that the public has not had the opportunity to review the changes and requested better transparency as the sale of public land and development opportunity should be openly discussed citing concerns that the permitting process is so cumbersome that we need to allow applicants to circumvent the process.

4. **CLOSED SESSION**

City Attorney Freeman indicated that items 4A and 4B will not be discussed but will be re-noticed for the Special Meeting on the January 28th, 2017.
Mayor Rubio invited comments on the Closed Session Items.

- Mit Sawhney questioned if staff had spoken with the dealership to see if they want to move to the proposed areas and said that he did speak to a few dealerships who said that it was a very expensive proposition. He emphasized that he thought developers were circumventing the process and cited that if residents were given one to two year break on taxes, they could also update their homes substantially.

Mr. Malin clarified that the intent of the Luxury Auto Center amendment is an extension of time for the agreement and the essence for the Seaside Senior Living project is to move the purchase forward in time, and no one is getting tax breaks or incentives by these actions.

The City Council adjourned to Closed Session at 5:40 PM and

A. **CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9**

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

The City Council reconvened to open session at 6:00 PM.

5. CONSENT AGENDA

The Mayor requested any comments to the Consent Agenda to which City Clerk Milton-Rerig requested that the minutes be amended to correct the names of the two public speakers. She also reported to the council that the full transcript for the speaker will be kept for the administrative record according to the record retention policy.

On motion by Council Member Campbell, seconded by Mayor Pro Tem Alexander and passed unanimously, the City Council approved The Consent Agenda as amended.

RESULT:	**Approved**
MOVER:	Council Member Jason Campbell
SECONDER:	Mayor Pro Tem Dennis Alexander
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	N

A. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

Action: Approved

B. APPROVE MINUTES OF NOVEMBER 16, 2017 AND DECEMBER 7, 2017

Action: Approved as Amended

6. BUSINESS ITEMS

A. CONSIDER A SECOND AMENDMENT TO A EXCLUSIVE NEGOTIATING AGREEMENT WITH MID COAST HOLDINGS GROUP, LLC TO EXTEND THE DEADLINE TO AGREE TO TERMS FOR A PURCHASE AND SALE AGREEMENT FROM DECEMBER 21, 2017 TO JULY 1, 2017.

Economic Development Program Manager Kurt Overmeyer explained that this action was a request from the developer who had a personal family tragedy and reasonably asked to extend the ENA. Mr. Overmeyer confirmed the developer has submitted all required documentation to start the CEQA process, and this changes the contract deadline from Dec 21st, 2017 to July 21st, 2018. The Mayor invited questions from the Council and the public and had no requests to speak.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the City Council Approved the item as presented.

RESULT:	**Approved**
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

B. CONSIDER AN AMENDED AND RESTATED DEVELOPMENT AND DISPOSITION AGREEMENT BETWEEN THE CITY OF SEASIDE AND SEASIDE SENIOR LIVING,

LLC, TO ALLOW PURCHASE OF THE PROPERTY TO PRECEDE ISSUANCE OF BUILDING PERMITS.

Economic Development Manager Kurt Overmeyer summarized this item explaining that in 2009 the City executed an ENA that turned to a DDA for the Shoppette property at Coe Avenue and Monterey Road and the project approved is to build a memory care and assisted living facility. Mr. Overmeyer further explained that In order to get the facility financed, the developer needs to take ownership of the land prior to issuance of the building permits. All required documents have been submitted adequately to obtain building permits. The remaining issues is to get construction bonds for public improvements which include curb, gutter and sidewalks.

On question by Council Member Pacheco, Developer Mr. Della Cruz reported that he is working to get the construction financing in place to be able to move forward. Construction drawings have been submitted and at 90%+ completion. Demotion of the Shoppette site, removal of trees and vegetation and grading for construction will start in January. The building is intended to start in July with an 18 month building cycle. Council Member Campbell questioned the timeliness for the financing to be complete to which Mr. Della Cruz believed all of the financing would be in place by March, 2018. Mr. Della Cruz indicated that the hiring will be Seaside first, and is working with the high school for development opportunities for youth career development. There will be many full time and part time job opportunities.

Mayor Rubio invited comments from the public.

- Helen Rucker spoke in support of this facility and is happy to hear that they will partner with Seaside High School and in support of providing a facility with a cultural diversity that is similar to Seaside.

Mayor Rubio spoke to the need of this type of service and project in the City of Seaside.

On motion by Mayor Pro Tem Dennis Alexander and seconded by Council Member Dave Pacheco and passed by the following vote the City Council approved the item as presented.

RESULT:	**Approved**
MOVER:	Mayor Pro Tem Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Dave Pacheco, Kayla Jones
NOES:	None
ABSENT:	None

7. ADJOURNMENT

On motion, the meeting was adjourned at 6:16 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk **Ralph Rubio, Mayor/Chair**

CITY OF SEASIDE
STAFF REPORT

Item No.: 4.B.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: January 18, 2018

SUBJECT: **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

PURPOSE

It is requested that the Agency Board approve and file the accounts payable and wired payments made during the period of December 9, 2017 through January 5, 2018. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the periods of December 21, 2017 and January 4, 2018 is requested. Total Accounts Payable and Payroll for the above referenced period is $107,670.94.

RECOMMENDATION

It is recommended that the checks are approved and filed.

BACKGROUND

In accordance with Government Code Section 37208, at each Agency Board meeting the Board is provided a listing of the payroll and general checks issued since the last report so that it can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, the above referenced, and linked list of checks conforms to the approved budget and has been paid. These checks are submitted to the Agency Board for inspection and confirmation.

A description of the checks and wires exceeding $10,000.00 is as follows:

$95,142.89 to U.S. Bank for Successor Agency to the Redevelopment Agency of the City of Seaside tax allocation.

The Checks report is available on the City's website here:
http://www.ci.seaside.ca.us/194/Check-Draft-Register

FISCAL IMPACT

There is no fiscal impact associated with this item.

ATTACHMENTS

1. The Checks report is available on the City's website here:
   http://www.ci.seaside.ca.us/194/Check-Draft-Register

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 5.A.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: January 18, 2018

SUBJECT: **REVIEW OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 18-19 FOR THE PERIOD JULY 1, 2018 – JUNE 30, 2019 PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177**

PURPOSE

The purpose of this item is to provide the Successor Agency Board the opportunity to review the Recognized Obligation Payment Schedule (ROPS) 18-19 for the period July 1, 2018 – June 30, 2019 pursuant to Health and Safety Code Section 34177.

RECOMMENDATION

It is recommended that the Successor Agency Board review the Recognized Obligation Payment Schedule (ROPS) 18-19 for the period July 1, 2018 – June 30, 2019 pursuant to Health and Safety Code Section 34177.

BACKGROUND

Upon dissolution of the Redevelopment Agency of the City of Seaside on February 1, 2012 pursuant to AB X1 26, the Successor Agency to the Redevelopment Agency of the City of Seaside was constituted and is governed by a board of directors consisting of the members of the City Council.

Pursuant to Health and Safety Code Section 34177, successor agencies are required to prepare Recognized Obligation Payment Schedules (ROPS) prior to each twelve-month fiscal period. The Successor Agency previously prepared a ROPS for the fiscal period commencing on July 1, 2017 and ending on June 30, 2018 (ROPS 17-18). At this time, a ROPS has been prepared for the next twelve-month fiscal period commencing on July 1, 2018 and ending on June 30, 2019 (ROPS 18-19).

The ROPS 18-19 is to be submitted to the County Auditor-Controller, the County Administrative Office, the Department of Finance (DOF) and the State Controller's Office by February 1, 2018. Prior to submission, the ROPS must be reviewed and approved by the Oversight Board. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing and a copy of the Oversight Board's approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The County Auditor-Controller may also object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item.

The significant changes in the current ROPS 18-19 compared to the previous ROPS 17-18 are as follows:

- The Successor Agency is requesting $731,060 be paid to the City of Seaside's Housing Successor Asset Fund for partial repayment of the Agency's Supplemental Educational Revenue Augmentation Fund loan (ROPS, Line #23).
- A reserve of Redevelopment Property Tax Trust Fund revenue for $602,131, a decrease of approximately $1,200,000, is being requested in accordance with the 2014 Tax Allocation Refunding Bond Series bond covenant to assure bondholders there will be adequate funds available for the August 1, 2019 debt service payment (Line #48).

FISCAL IMPACT

Preparation of the ROPS 18-19 is in furtherance of allowing the Successor Agency to pay enforceable obligations of the former redevelopment agency.

ATTACHMENTS

1. Draft of the Recognized Obligation Payment Schedule (ROPS) 18-19 for the period July 1, 2018 and ending on June 30, 2019

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: **Seaside**

County: Monterey

	Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	**18-19A Total (July - December)**	**18-19B Total (January - June)**	**ROPS 18-19 Total**
A	**Enforceable Obligations Funded as Follows (B+C+D):**	**$ -**	**$ -**	**$ -**
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	-	-	-
E	**Redevelopment Property Tax Trust Fund (RPTTF) (F+G):**	**$ 885,060**	**$ 803,262**	**$ 1,688,322**
F	RPTTF	760,060	678,262	1,438,322
G	Administrative RPTTF	125,000	125,000	250,000
H	**Current Period Enforceable Obligations (A+E):**	**$ 885,060**	**$ 803,262**	**$ 1,688,322**

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/

Signature Date

Seaside Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
											18-19A (July - December)						18-19B (January - June)					
											Fund Sources						Fund Sources					
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19B Total
								$ 17,006,857		$ 1,688,322	$ -	$ -	$ -	$ 760,060	$ 125,000	$ 885,060	$ -	$ -	$ -	$ 678,262	$ 125,000	$ 803,262
5	Loan to fund housing project	OPA/DDA/Construction	6/1/2008	6/1/2017	California Department of	Loan for low, moderate income &	Ft. Ord	1,699,358	N													
6	City loan	City/County Loan (Prior 06/28/11), Other	6/15/1995	6/30/2047	City of Seaside	Loan to fund projects	Merged	2,333,431	N													
7	City loan	City/County Loan (Prior 06/28/11), Other	1/4/2001	6/30/2047	City of Seaside	Loan to fund projects	Ft. Ord	500,000	N													
9	West Broadway Urban Village	Miscellaneous	9/24/2003	8/1/2033	Monterey Peninsula Engineering, Mark Thomas & Co., etc.	Bond funds to be used for West Broadway Urban Village infrastructure project	Merged	-	N	$ -						$ -						$ -
11	Seaside Resort Development	Professional Services	6/20/2002	10/19/2025	Larry Seeman & various other legal providers	Consultant work on Seaside Resort Project.	Ft. Ord	95,000	N	$ 40,000				20,000		$ 20,000				20,000		$ 20,000
12	Property Services	Miscellaneous	12/10/2010	4/19/2023	County of Monterey	Various property consultant services for assistance with the dissolution process and tax assessments	Merged & Ft. Ord	120,000	N	$ 8,000				4,000		$ 4,000				4,000		$ 4,000
13	Employee costs	Admin Costs	7/1/2015	6/30/2016	One City employee	Portion of employee who works on Successor Agency	Merged & Ft. Ord		N	$ -						$ -						$ -
14	Legal Services	Admin Costs - Litigation	7/1/2015	6/30/2016	Richards Watson & Gershon, Goldfarb & Lipman, etc.	Legal services for dissolution process	Merged & Ft. Ord		N	$ -						$ -						$ -
17	Consultant Services	Admin Costs	7/1/2015	6/30/2016	Seifel Consulting, Municipal Resource Group, EMC Planning Group, etc.	Various consultant services for assistance with the dissolution process	Merged & Ft. Ord		N	$ -						$ -						$ -
18	Contract Services	Admin Costs	7/1/2015	6/30/2016	Mahoney & Associates, Chicago Title Company, etc.	Various contract services for assistance with the dissolution process	Merged & Ft. Ord		N	$ -						$ -						$ -
19	Legal Advertising	Admin Costs	7/1/2015	6/30/2016	Monterey Herald Monterey Coast Weekly	Legal advertising as needed	Merged & Ft. Ord		N	$ -						$ -						$ -
20	Liability insurance	Admin Costs	7/1/2015	6/30/2016	California Joint Powers Insurance Authority	Insurance coverage for the Successor Agency and the Oversight Board	Merged & Ft. Ord		N	$ -						$ -						$ -
21	Central Services Charges	Admin Costs	7/1/2015	6/30/2016	City of Seaside	Charges for all central services, including City Manager, other staff, accounting, etc. (based on distribution from the Cost Allocation Plan)	Merged & Ft. Ord		N	$ -						$ -						$ -
22	Computer services	Admin Costs	7/1/2015	6/30/2016	City of Seaside	Charges for computer services for	Merged & Ft. Ord		N	$ -						$ -						$ -
23	SERAF, HSC Section 33690(c)(1)	SERAF/ERAF	6/9/2014	6/30/2047	Housing Successor Asset Fund-City of Seaside	Amount borrowed from Housing Fund to pay SERAF	Merged	1,477,465	N	$ 731,060				731,060		$ 731,060						$ -
24	SERAF, HSC Section 33690.5(c)(1)	SERAF/ERAF	6/9/2014	6/30/2047	Housing Successor Asset Fund-City of Seaside	Amount borrowed from Housing Fund to pay SERAF	Merged	817,842	N													
26	Consumables	Admin Costs	7/1/2015	6/30/2016	Staples, Fed Ex, etc.	Miscellaneous operating	Merged & Ft. Ord		N	$ -						$ -						$ -
28	Utilities and Repairs	Property Maintenance	7/1/2015	6/30/2016	Cal Am Water Company, PG&E, Home Depot, etc.	Contract and Utilities			N	$ -						$ -						$ -
34	Bond Maintenance Fees	Fees	9/24/2003	8/1/2033	US Bank, Urban Futures, Arbitrage Rebate Service, Willdan Financial Services, etc.	Trustee fees, arbitrage calculation, disclosure certification	Merged & Ft. Ord	157,000	N	$ 5,000				5,000		$ 5,000						$ -
39	Legal Services	Admin Costs - Litigation	7/1/2015	6/30/2016	Richards Watson & Gershon, Goldfarb & Lipman, etc.	Legal services for redevelopment projects	Merged & Ft. Ord		N	$ -						$ -						$ -
40	Seaside Resort Development, per amended DDA	Project Management Costs	2/7/2014	10/19/2025	Richards Watson & Gershon, Larry Seeman, EMC Planning Group, etc.	Costs billed to developer for DDA work	Ft. Ord	550,000	N	$ -						$ -						$ -
45	2014 Tax Allocation Refunding Bonds	Refunding Bonds Issued After 6/27/12	12/23/2014	8/1/2033	US Bank	Bonds issued to refinance 2003 bond series for non-housing redevelopment projects	Merged	8,404,630	N	$ 52,131						$ -				52,131		$ 52,131
46	LRPMP Implementation - Consultant Services	Admin Costs	7/1/2015	6/30/2016	Seifel Consulting, Municipal Resource Group, EMC Planning Group, etc.	Various consultant services for assistance in implementing LRPMP projects	Merged & Ft. Ord		N	$ -						$ -						$ -
48	Reserve for 2014 Tax Allocation Refunding Bond payment	Refunding Bonds Issued After 6/27/12	12/23/2014	8/1/2033	US Bank	Reserve for annual August bond debt service payment per bond covenant	Merged	602,131	N	$ 602,131						$ -				602,131		$ 602,131
49	Administration Costs	Admin Costs	7/1/2018	6/30/2019	Seaside Successor Agency	Successor Agency Administratin Costs	Merged	250,000	N	$ 250,000					125,000	$ 125,000					125,000	$ 125,000
50									N	$ -						$ -						$ -
51									N	$ -						$ -						$ -
52									N	$ -						$ -						$ -
53									N	$ -						$ -						$ -
54									N	$ -						$ -						$ -
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71									N	$ -						$ -						$ -
72									N	$ -						$ -						$ -
73									N	$ -						$ -						$ -
74									N	$ -						$ -						$ -
75									N	$ -						$ -						$ -

Seaside Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances
July 1, 2015 through June 30, 2016
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [INSERT URL LINK TO CASH BALANCE TIPS SHEET]

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	**Comments**
1	**Beginning Available Cash Balance (Actual 07/01/15)**	1,016,564	10,749	300,000	2,260,686	252,341	56,353	
2	**Revenue/Income (Actual 06/30/16)** RPTTF amounts should tie to the **ROPS 15-16** total distribution from the County Auditor-Controller during June 2015 and January 2016.	1,335				24,276	5,645,747	
3	**Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)**	1,017,899	10,749	300,000	2,260,686	240,000	3,932,998	
4	**Retention of Available Cash Balance (Actual 06/30/16)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						1,753,332	
5	**ROPS 15-16 RPTTF Balances Remaining**	No entry required						
6	**Ending Actual Available Cash Balance (06/30/16)** **C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 36,617**	**$ 15,770**	

Seaside Recognized Obligation Payment Schedule (ROPS 18-19) - Notes July 1, 2018 through June 30, 2019

Item #	Notes/Comments
23	SERAF Payment calculated in accordance with DOF SERAF Loan Repayment Calculator
48	The Agency Board, Oversight Board and DOF authorized the 2014 Tax Allocation Refunding Bond Series. The bond covenant of the official statement states *"Without limiting the generality of the foregoing, the Agency has additionally covenanted to place on each periodic Recognized Obligation Payment Schedule relating to a January 2 distribution (each, a "B ROPS") under Section 34183 of the Dissolution Act, for approval by the Oversight Board and State Department of Finance, amounts equal to the Annual Debt Service coming due and payable in the Bond Year ending on the August 1 immediately succeeding such January 2 (which includes the February 1 interest payment and the August 1 principal and interest payment on the Bonds for such Bond Year). The Agency has further covenanted that it will categorize and describe, as a separate line item, the portion of such Annual Debt Service that is due and payable on August 1 of such Bond Year on the B ROPS as a "reserve" to be held by the Agency until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act."* The Agency hereby requests 100% "reserve funding" of the 8/1/2019 debt service payment so there will be sufficient cash available before fiscal year 2019-2020. The requested RPTTF funding reserve of $602,131 matches the US Bank amortization schedule and is in accordance with the bond covenant stated above.
49	Summarized all Admin Costs into one line instead of the 11 Admin Costs line items previously reported as items #13,14,17,18,19,20,21,22,26,39,46

CITY OF SEASIDE
STAFF REPORT

Item No.: 6.A.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Rick Riedl, City Engineer

DATE: January 18, 2018

SUBJECT: **WATER STUDY SESSION**

PURPOSE

The purpose of this item is to provide an overview of the current status of our three water suppliers and their ability to continue to provide water for the City of Seaside.

RECOMMENDATION

Receive an update on the status of our three water suppliers.

BACKGROUND

Depending upon the location within the City of Seaside, water is supplied by Cal Am, Seaside Municipal Water System (SMWS), or Marina Coast Water District (MCWD). Cal-Am serves about eighty percent of Seaside, primarily from water derived from the Carmel River and/or the Seaside Groundwater Basin. These two sources of water are replenished by annual rainfall. Therefore the water supply varies according to the amount of rain received within the Monterey Peninsula Area. Rainfall replenishes these sources either naturally by infiltration or artificially by dams or direct injection, such as the Monterey Peninsula Water Management District (MPWMD) Aquifer Storage and Recovery (ASR) project that has wells located within the City of Seaside.

MCWD serves about 214 AFY or ten percent of Seaside and SMWS serves 190 AFY, or the remaining ten percent of Seaside. Both of these agencies derive their water from underground aquifers which are replenished by rainfall. MCWD is in the process of developing an alternative water source it calls the Regional Urban Water Augmentation Project (RUWAP).

The Carmel River is presently Cal Am's primary source for supplying water to the City of Seaside. During the summer months, Cal Am derives water mostly from the Seaside Groundwater Basin. However, both supplies are being legally curtailed. By 2021, Cal-Am must reduce their diversions from the Carmel River from its current diversion amount of roughly 6,500 AFY to no more than 3,376 AFY (its legal water right amount) pursuant to a cease and desist order ("CDO") issued by the State Water Resources Control Board (SWRCB Order WR 2009-0060). Cal-Am's groundwater rights in the Seaside Basin are also constrained by the court judgment adjudicating the basin (Amended Decision Case No. M66343 entered Feb. 9, 2007. ("Decision")) The adjudication settled the disputed groundwater rights to the Seaside Groundwater Basin and declared that some of the basin users, including the SMWS and Cal Am, would, starting in 2009, have to decrease their water usage according to a ramp down schedule requiring a 10% reduction every three years. The final triennial rampdown will go into effect in 2021.

For areas in Seaside that were part of the former Fort Ord, water is delivered to customers by Marina Coast Water District (MCWD). MCWD derives water from Salinas Groundwater Basin and is partnering with Monterey One Water (formerly MRWPCA) to provide highly purified water for non-potable use or as replenishment to the Seaside Basin. The Bayonet & Black Horse Golf Courses, also located in the former Fort Ord, has the ability to obtain water from either MCWD or groundwater wells. Therefore, water can be delivered to the golf course property either from these wells or from MCWD.

Ability to Provide Water in the Future

The City of Seaside and Cal Am are members of the Seaside Basin Watermaster pursuant to the Decision. Seaside pays approximately 7 percent, or $10,000 per year, of its operating expenses (for the water it extracts for the SMWS) and Cal Am pays about 90 percent (others pay the rest). The City also pays about $110,000 per year in assessments to the Watermaster for using more water than is allotted according to the Decision. These assessments are expected to increase to about $250,000 in 2021 as the ramp-down schedule is fully implemented. This assessment by the Watermaster would continue to be at least this amount (in 2017 dollars) forever unless the City is able to obtain an alternative water source or curtail its water usage.

The attached graph shows SMWS past and estimated future usage. The graph shows the ramp down in water allocation from the Watermaster as blue bars and Seaside customer's usage as red bars. The future estimated water usage (red bars) for the SMWS is 190 acre-feet per year (AFY) or about 62 million gallons. The estimated water allocation from the Watermaster will decrease from 185 AFY to about 147 AFY from this year to next year and would continue to decrease tri-annually according to the prescribed ramp-down schedule in the Decision. In 2021, the ramp down will be complete and the expected water allocation at that time would be about 120 AF.

In 2006, the year that the Decision was first promulgated, the water usage was 332.0 AF. In 2016, the water usage was 195.2 AF, up slightly from the previous year of 192.5 AF, representing approximately 40 percent decrease in usage since 2006. The Decision states that the usage (red bars) are not allowed to exceed the allocation (blue bars). However, water usage for the SMWS is predicted to do so for every year into the future. In 2021, the water usage is expected to exceed the allocation by about 70 AF since it is unlikely that the water usage could decrease to 120 AF, or more than sixty percent decrease in usage from 2006.

Third-Party Evaluations

Water purveyors in California are overseen by the Division of Drinking Water (DDW) which is now under the State Water Resources Control Board. However, the regulation of water supply, water quality, and the various types of water systems that serve drinking water remains fragmented in California. There are several state agencies that have a role in regulating certain types of Water purveyors, including how they operate and the rates that they can charge their customers. For example, the California Public Utilities Commission shares regulatory responsibility for regulating water service supplied by investor-owned water utilities, like Cal-Am, subject to its jurisdiction. On the Monterey Peninsula, the Monterey Peninsula Water Management District also regulates how water purveyors operate within parts of Seaside and other neighboring communities.

In 2016, the DDW performed an assessment of the SMWS. The assessment, called a *Sanitary Survey* by the DDW, determined the following;

- The water system is in good overall condition.
- A potential cross connection was noted at the tank site (that has been remediated).
- The City's preventative maintenance and record keeping program have significantly

improved.

Regulatory & Environmental Conditions

Pumping of groundwater has resulted in depressed groundwater levels within the Seaside Basin where the City possesses pumping rights. The primary concern to decreased groundwater quality pertains to potential seawater intrusion into the Basin. The Seaside Basin Watermaster is tasked with managing the Seaside Groundwater Basin aquifers. Monitoring wells are located throughout Seaside to provide groundwater quality data for the aquifers and to help determine the occurrence of seawater intrusion. Last year, water quality samples from two of the four sentinel (monitoring) wells located near the coast exhibited anomalous chloride concentrations. In response, and consistent with Watermaster's *Seawater Intrusion Response Plan*, these wells were resampled in December 2016. The Watermaster's technical consultants (HydroMetrics, Todd Groundwater, and Martin Feeney) reviewed the results and determined that the samples do not establish that seawater intrusion is occurring. However, they did recommend a more robust monitoring protocol, which the Watermaster is implementing.

Comparison of Water Rates

The cost of water to Seaside customers varies according to the water purveyor. The attached graph shows the cost of water to an average residential customer in Seaside that uses 550 cubic feet (4,110 gallons) of water per month. The costs shown do not include taxes and surcharges as these are beyond the control of the purveyor. The cost of $53.36 per month to SMWS customers is about average for the cost of water as provided by the three water purveyors in Seaside.

Strategies for Future Water Supplies

The city continues to explore opportunities with MCWD to (a) use recycled water from the Pure Water Monterey Project on the City of Seaside's Blackhorse and Bayonet Golf Courses and (b) obtain water to offset a long-term water supply deficit in the City's SMWS.

The golf courses presently use approximately 450 to 500 AFY from the Seaside Basin pursuant to the City's Alternative Production Allocation held under the Seaside Basin Judgment. The City could substitute recycled water in lieu of potable groundwater use, and pursuant to an agreement with the Seaside Basin Watermaster, establish a stored water credit. The credit might be similar to the credits the City received for the substitution of 2,500 AFY of water obtained from Marina Coast Water District in lieu of pumping in recent years ("Prior In-Lieu Program"). The City supplies its SMWS with water pumped from the Seaside Basin pursuant to its Standard Production Allocation under the Seaside Basin Judgment. However, the water demand within the City's system exceeds the City long-term (fully ramped-down) Standard Production Allocation by approximately 70 AFY. The City has offset its past replenishment assessment ("RA") liabilities through drafts upon the bank of credits that it established through the Prior In Lieu Programs. The City should be able to continue to avoid any RA liability by drafting off its bank of credits for approximately another 10 years. However, the City desires to be proactive now to develop a supplemental supply to come online when its banked credits are exhausted. Accordingly, we are evaluating means to offset the golf courses' use of potable groundwater with advanced treated recycled water form MCWD, which could free up potable water for the SMWS. Critical issues that need to be resolved include the costs of the recycled water and the details of an arrangement with MCWD, the Watermaster, and other potentially involved parties, notably Cal-Am.

Water Status for City of Seaside within former Fort Ord

Seaside Water Allocation from FORA	1,012.0 AF
Current Water Usage	638.4 AF
Remaining Water Allocation Balance	373.6 AF
Future Development Projects Estimated Needs	1,053 AF
Future Water Needs (Deficit), former Fort Ord area	(680 AF)

Water Status for City of Seaside Proper (Cal-Am System)

Remaining Seaside Water Allocation from MPWMD	37.49 AF
Future Water Needs based upon GP build out	719.49 AF
Future Water Needs (Deficit), Seaside Proper	(682 AF)

Regional Solutions

Cal-Am's proposed solution to its future water supply deficiencies is the Monterey Peninsula Water Supply Project ("MPWSP"). Cal-Am filed an application with the California Public Utilities Commission ("CPUC") in 2012 to request a Certificate of Public Convenience and Necessity ("CPCN") to implement the MPWSP. The MPWSP is anticipated to consist of a seawater and brackish water intake system, a 6.4 MGD desalination plant and related facilities, desalinated water conveyance facilities, an expanded ASR system, and a water purchase agreement for water injected and recovered from the Seaside Basin from Monterey One Water's Pure Water Monterey Project ("PWM") (also commonly referred to as the Groundwater Replenishment Project). These projects will result in sufficient long-term water supplies for the Monterey Peninsula, when combined with Cal-Am's groundwater entitlements from the Seaside Basin and legal diversion rights from the Carmel River, to: (1) meet current and projected future demands; (2) eliminate all unauthorized diversions from the Carmel River Valley as required by the CDO; and (3) "pay-back" its extractions from the Basin in excess of the Native Safe Yield since the entry of the Decision.

On September 15, 2016, the CPUC authorized Cal-Am to enter into a water purchase agreement with the MPWMD and the MRWPCA to purchase 3,500 AFY of PWM water from the Pure Water Project at a cost of $85.5 million, and for Cal-Am to invest up to $50 million in a new pipeline (the "Monterey Pipeline") and pump station. The Monterey Pipeline will allow Cal-Am to move PWM and ASR water recovered from the Seaside Basin (and ultimately desalination water) into the Cal-Am distribution system and also allow additional ASR water to be pumped from the Carmel River to the Seaside Basin for injection during wet periods. The CPUC's approval of the water purchase agreement and Monterey Pipeline and pump station was a significant milestone for the Pure Water Project.

To maximize water supply from the ASR project, Cal-Am and the MPWMD are also developing two additional ASR wells within the City of Seaside, to add to the four existing ASR wells operated by Cal-Am. A ground lease for the new ASR wells and associated facilities is expected to be approved by the Seaside City Council soon. The ASR ground lease will foster FORA's issuance of a right-of-entry to complete the ASR facilities.

Cal-Am's application for a CPCN to construct the MPWSP is still pending before the CPUC. On January 12, 2017, the CPUC and MBNMS released a joint DEIR/DEIS for the MPWSP consistent with the California Environmental Quality Act and the National Environmental Policy Act and a final EIR/EIS for the project is anticipated in March of 2018. An additional round of hearings concerning the project was held in October/November 2017 and briefing is commencing shortly. The project is controversial and vehemently opposed by Marina Coast Water District and the City of Marina, among others. Settlement discussion are underway to seek an amicable resolution of the desalination project issues and means to satisfy the long-term demands for the Cal-Am system.

FISCAL IMPACT

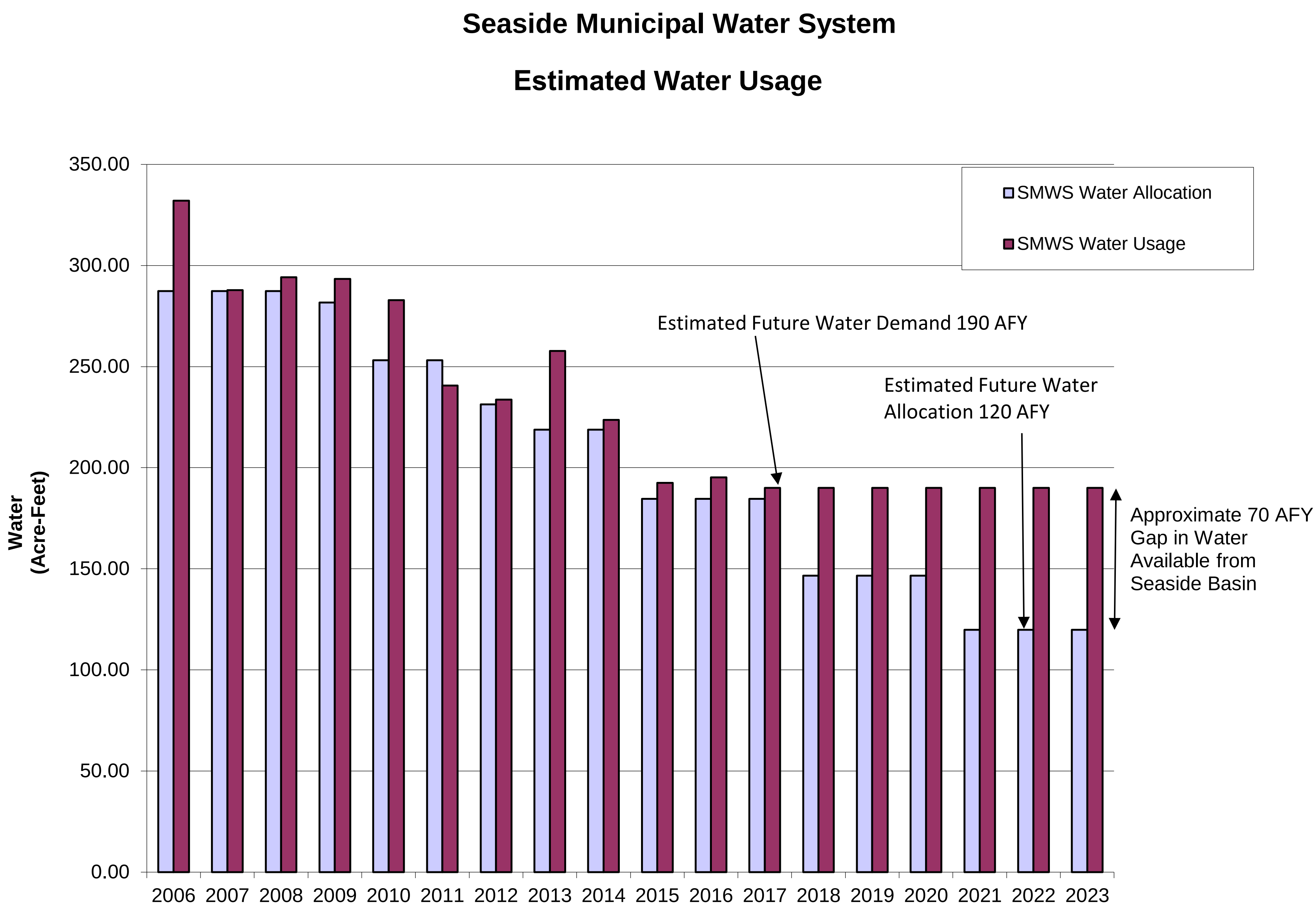
There is no fiscal impact to the City in receiving this presentation.

ATTACHMENTS

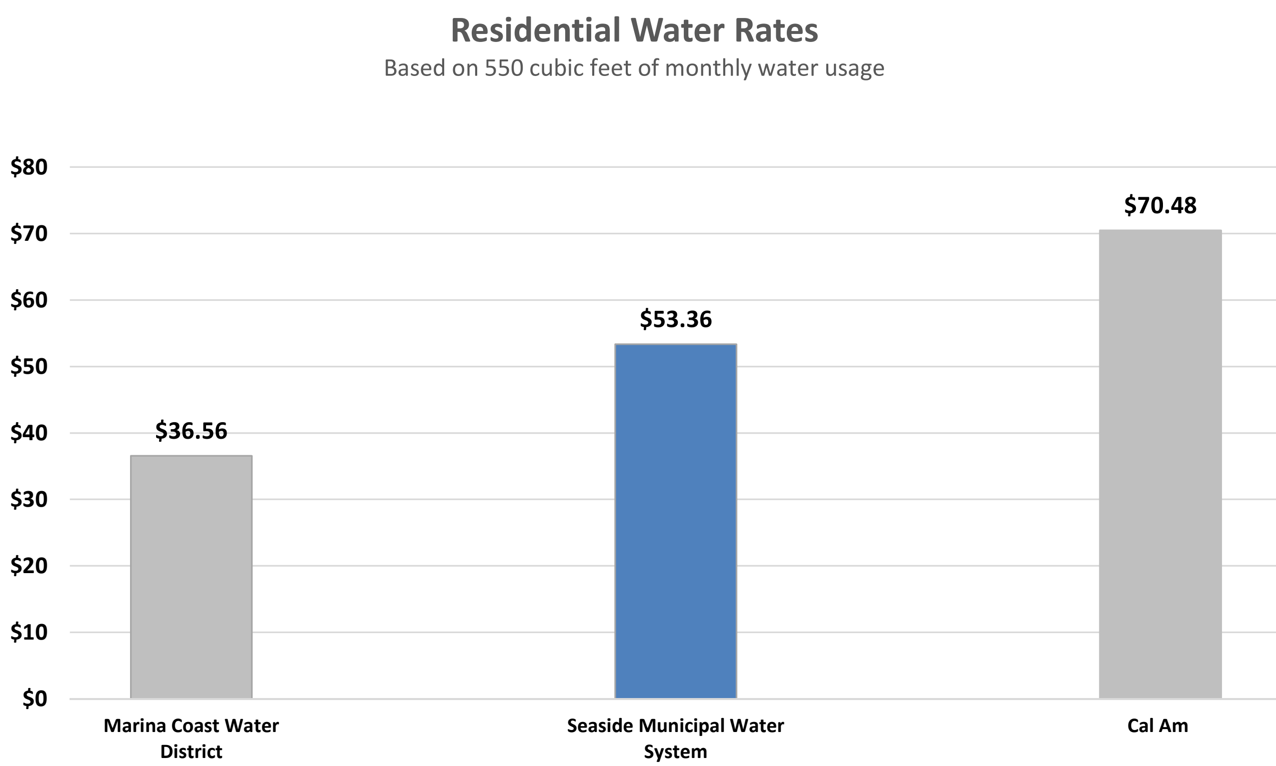
1. Estimated Water Usage Seaside Municipal Water System
2. Comparison of Residential Water Rates

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager



Seaside Municipal Water System
Estimated Water Usage
Water (Acre-Feet)
350.00
300.00
250.00
200.00
150.00
100.00
50.00
0.00
2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023
SMWS Water Allocation
SMWS Water Usage
Estimated Future Water Demand 190 AFY
Estimated Future Water Allocation 120 AFY
Approximate 70 AFY Gap in Water Available from Seaside Basin


Residential Water Rates
Based on 550 cubic feet of monthly water usage
$80
$70
$60
$50
$40
$30
$20
$10
$0
$36.56
$53.36
$70.48
Marina Coast Water District
Seaside Municipal Water System
Cal Am